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WELDED STEEL WIRE FABRIC FOR CONCRETE REINFORCEMENT FROM ITALY, MEXICO, AND VENEZUELA

Determinations of the Commission in Investigations Nos. 701-TA-261(A), 263(A), and 264(A) (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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Determinations of the Commission in Investigations Nos. 731-TA-289(A)-291(A) (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note: Information which would disclose the operations of individual concerns may not be published and, therefore, has been deleted from this public report. Such deletions are indicated by asterisks.

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UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigations Nos. 701-TA-261(A), 701-TA-263(A), 701-TA-264(A), and 731-TA-289(A) through 291(A) (Preliminary)

WELDED STEEL WIRE FABRIC FOR CONCRETE REINFORCEMENT FROM ITALY, MEXICO, AND VENEZUELA

Determinations 1/

On the basis of the record 2/ developed in the subject investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Italy (inv. No. 701-TA-261(A) (Preliminary)), Mexico (inv. No. 701-TA-263(A) (Preliminary)), or Venezuela (inv. No. 701-TA-264(A) (Preliminary)) of welded steel wire fabric for concrete reinforcement, provided for in item 642.80 of the Tariff Schedules of the United States, which are alleged to be subsidized by the Governments of those countries.

The Commission also determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Italy (inv. No. 731-TA-289(A) (Preliminary)), Mexico (inv. No. 731-TA-290(A) (Preliminary)), or Venezuela (inv. No. 731-TA-291(A) (Preliminary)) of welded steel wire fabric for concrete reinforcement, which are alleged to be sold in the United States at less than fair value (LTFV).

1/ Commissioner Brunsdale was sworn in on Jan. 3, 1986, and, therefore, did not participate in these determinations.

2/ The record is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(i)).

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Background

On November 20, 1985, petitions were filed with the Commission and the Department of Commerce by the Wire Reinforcement Institute, Inc., alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized and LTFV imports of welded steel wire fabric for concrete reinforcement from Italy, Mexico, and Venezuela. Accordingly, effective November 20, 1985, the Commission instituted the subject preliminary countervailing duty and antidumping investigations.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 29, 1985 (50 F.R. 49139). The conference was held in Washington, DC, on December 10, 1985, and all persons who requested the opportunity were permitted to appear in parson or by counsel.

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VIEWS OF THE COMMISSION

We unanimously determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of welded steel wire fabric for concrete reinforcement from Italy, Mexico, and Venezuela that are allegedly subsidized, and imports of welded steel wire fabric for concrete reinforcement from Italy, Mexico, and Venezuela that are allegedly sold at less than fair value (LTFV). 1/

Like product and the domestic industry

Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as the "[d]omestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 2/ "Like product" is defined as "[a] product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ." 3/ These investigations concern allegedly subsidized and LTFV imports from Italy, Mexico, and Venezuela of welded steel wire fabric for concrete reinforcement. The imported product subject to investigation is welded steel wire fabric, not cut to shape, for concrete reinforcement as provided for in item 642.8010 of the Tariff Schedules of the United States (wire fabric). Wire fabric is produced from cold-drawn steel wires, either smooth or deformed, which are joined by an electric welding process to form

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1/ Material retardation of the establishment of an industry was not raised as an issue in these investigations and will not be discussed further.
2/ 19 U.S.C. § 1677(4)(A).
3/ Section 771(10); 19 U.S.C. § 1677(10).

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sheets or rolls of wire fabric. 4/ The completed sheet or roll is essentially a series of longitudinal and transverse wires arranged at right angles to each other, having square or rectangular openings, and welded together at all points of intersection. 5/

Wire fabric is generally used to reinforce concrete. 6/ Typically, the concrete is poured over a wire fabric framework, which reinforces the concrete structure in which the wire fabric is used. 7/ Anchorage with the concrete is developed at the welded intersections of smooth wire fabric, and at deformations in the wire as well as at the welded intersections of deformed wire fabric. 8/ Smooth and deformed wire fabric are generally interchangeable in the marketplace. 9/

The domestic product is the same as the imported product. Further, we find no significant distinction between smooth and deformed wire fabric. No party to the investigations has argued that the like product should not include both smooth and deformed wire fabric. We therefore determine that there is one like product, welded steel wire fabric for concrete reinforcement and that there is one domestic industry, producers of welded steel wire fabric for concrete reinforcement.

4/ Deformed wire is produced by passing smooth wire through a deforming device that makes indentations on the smooth wire. The purpose of the indentations is to produce a larger area to which concrete can adhere, thereby producing a wire surface with a firmer mechanical anchorage in the concrete which the fabric is used to reinforce. Report of the Commission (Report) at A-3.

5/ Id.

6/ Id. at A-4.

7/ Id.

8/ Id.

9/ Id.

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Condition of the domestic industry

In assessing the condition of the domestic industry, the Commission considers, among other factors, the trends in production, capacity utilization, sales, market share, employment, wages, and profitability of the domestic industry. 10/ In this investigation, the Commission considered such information for the period covering January 1982-September 1985 for the domestic national industry.

Apparent U.S. consumption of welded wire fabric for concrete reinforcement has increased steadily during the period under investigation from 589,561 tons in 1982 to 792,934 tons in 1984. 11/ At the same time, domestic production of wire fabric has also increased steadily and substantially from 583,092 tons in 1982 to 794,118 tons in 1984. 12/ Similarly, domestic shipments of wire fabric increased without interruption during the period under investigation from 578,640 tons in 1982 to 782,279 tons in 1984. 13/ Data for the first nine months of 1985 show continuing increased trends for consumption, production, and shipments when compared with the corresponding 1984 period. Domestic capacity to produce wire fabric grew during the period under investigation, as did domestic capacity utilization. 14/ During the period January-September 1985, capacity utilization reached 80 percent. Although accounting for less than one percent of total shipments, U.S. exports of wire fabric grew rapidly during the period under investigation. 15/ End-of-period inventories increased irregularly

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10/ 19 U.S.C. § 1677(7)(C)(iii).
11/ Report at A-6.
12/ Id. at A-8.
13/ Id. at A-9.
14/ Id.
15/ Id.

during the period under investigation but were not disproportionate to historical levels. 16/

Employment of production and related workers increased steadily, as did the average number of hours worked. 17/ The total compensation paid to production and related workers declined from $10.84 per hour in 1982 to $10.75 per hour in 1983, but increased to $11.46 per hour in 1984, and to $11.62 per hour in the interim period of January-September 1985. 18/

The Commission has received income-and-loss data from domestic producers regarding both their overall establishment operations and their operations which produce wire fabric. 19/ Though the data received evidence aggregate operating losses for the domestic producers' overall establishment operations in 1982 and 1983, 20/ the data also reflect aggregate operating income in 1984, and in the interim periods ending September 30, 1984, and September 30, 1985. 21/ Most importantly, the data also reflect a steady increase in aggregate operating income from the domestic producers' wire fabric operations, 22/ as well as a steady increase in aggregate net sales of wire fabric. 23/

Based upon the above information, we find that the domestic industry's production, employment, and financial figures steadily improved from 1982 through the interim period ending September 30, 1985. In light of the above

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16/ Id. at A-10.
17/ Id.
18/ Id. at A-10-A-11.
19/ Id.
20/ Id. at A-11-A-13.
21/ Id.
22/ Id. at A-13-A-15.
23/ Id.

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findings, we determine that there is no reasonable indication that the domestic industry is materially injured. 24/ 25/

24/ Chairwoman Stern does not regard it analytically useful to consider the question of material injury completely separately from the question of causation. In general, she believes it to be appropriate to examine causal issues even when an industry is apparently in relatively good condition to determine whether its performance has been worsened by the subject imports so as to constitute material injury. In the present case, she has based her determination principally on the strong performance of the domestic industry and the lack of any indication that the subject imports are related to any difficulties that may exist. For a full discussion of this issue, see Photo Albums and Photo Album Filler Pages from Hong Kong and the Republic of Korea, Invs. Nos. 731-TA-240-241 (Final), USITC Pub. 1784 at 7, note 19 (Dec. 1985). Chairwoman Stern reads American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (CIT 1984), aff'd sub nom., Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985), as holding that the approach of the Commission majority is permissible but not required under the statute.

25/ Commissioner Eckes believes that the Commission is to make a finding regarding the question of material injury in each investigation. The Court of International Trade recently held that:

> The Commission must make an affirmative finding only when it finds both (1) present material injury (or threat to or retardation of the establishment of an industry) and (2) that the material injury is 'by reason of' the subject imports. Relief may not be granted when the domestic industry is suffering material injury but not by reason of unfairly traded imports. Nor may relief be granted when there is no material injury, regardless of the presence of dumped or subsidized imports of the product under investigation. In the latter circumstances, the presence of dumped or subsidized imports is irrelevant, because only one of the two necessary criteria has been met, and any analysis of causation of injury would thus be superfluous.

American Spring Wire Corp. v. United States, 590 F. Supp. 1273, 1276 (CIT 1984) (emphasis supplied), aff'd sub nom., Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985).

Thus, having found no reasonable indication of material injury to the domestic industry, Commissioner Eckes does not join the discussion which follows on the question of no material injury by reason of subject imports. However, he does join the discussion at 13 regarding the absence of any reasonable indication of a threat of material injury.

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No reasonable indication of material injury by reason of the allegedly LTFV imports and the allegedly subsidized imports 26/

In determining whether there is a reasonable indication of material injury by reason of the allegedly unfairly traded imports, the Commission must consider: (1) the volume of allegedly LTFV or subsidized imports, (2) the effect of such imports on prices in the United States for the like product, and (3) the impact of such imports on domestic producers of the like product. 27/

26/ In 1984, the Commission determined that certain carbon and alloy steel products, including certain wire and wire products, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to domestic industries. Carbon and Certain Alloy Steel Products, Inv. No. TA-201-51, USITC Pub. 1553 (July 1984). Imports of welded steel wire fabric for concrete reinforcement were not included within the scope of that investigation. Petitioner argues that, because of the 1984 Commission determination, voluntary restraint agreements (VRAs) were negotiated or renewed which subject "all wire rod and virtually every wire product," other than welded wire fabric, to import ceilings. Postconference Brief of Petitioner at 4. Consequently, according to petitioner, Italian, Mexican, and Venezuelan producers have shifted the emphasis of production to welded wire fabric. This shifted emphasis has, concludes petitioner, led to material injury and threat of material injury. Id. at 4-8.

The Commission is required by statute to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the subject allegedly LTFV imports and subsidized imports. 19 U.S.C. § 1673b. The existence of VRAs which do not cover imports of welded steel wire fabric for concrete reinforcement from Italy, Mexico, and Venezuela is inadequate to warrant an affirmative determination where, as here, there is no reasonable indication of injury or threat.

27/ 19 U.S.C. § 1677(7)(B).

Cumulation 28/--Three elements must be present before cumulation of imports is warranted: the imports must (a) compete both with other imports and with the domestic like product; (b) be marketed within a reasonably coincident period; and (c) be subject to investigation. 29/ Of the three elements required for cumulation, two are clearly present in this case: the petitioner seeks to cumulate only imports subject to the pending investigations, and the imports subject to the investigations were and are being marketed in the same time period. At issue, then, is whether the

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28/ Section 771(1)(c)(iv) of the Tariff Act of 1930, which was added to the Tariff Act of 1930 by section 612(a)(2)(A) of the Trade and Tariff Act of 1984, provides as follows:

> Cumulation--For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.

The Conference Report accompanying the enactment of § 612(a)(2)(A) of the Trade and Tariff Act of 1984 states that:

> The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. Of course imports of like products from countries not subject to investigation would not be included in the cumulation.

H.R. Rep. No. 1156, 98th Cong., 2d Sess. 173 (1984).

29/ See, e.g., Certain Steel Wire Nails from the People's Republic of China, Poland, and Yugoslavia, Invs. Nos. 731-TA-266-268 (Preliminary), USITC Pub. 1730 (July 1985). The volume and trend of imports on an individual country basis are not a consideration in determining whether or not to cumulate. See Certain Carbon Steel Products from Austria, Czechoslovakia, East Germany, Hungary, Norway, Poland, Romania, Sweden, and Venezuela, Invs. Nos. 701-TA-225-234 (Preliminary), 731-TA-213-217, 219, 221-226, and 228-235 (Preliminary), USITC Pub. 1642 (Feb. 1985).

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imported products compete with each other, and with the domestic like product. 30/

Mexican respondents urge that cumulation of imports from Mexico with those of Italy and Venezuela is inappropriate because "imports of wire fabric from Mexico do not compete within the same geographic market as imports from Italy or Venezuela, and . . . wire fabric from Mexico is sold at much higher average unit prices than imports [from Venezuela and Italy]." 31/ In support of cumulation, petitioner argues that "significant volumes of welded wire fabric from respondent countries have been marketed in overlapping areas throughout the United States in competition with domestic producers." 32/

We have found that wire mesh is generally too costly to truck more than 300-400 miles. 33/ The majority of imported Mexican wire mesh is imported

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30/ In determining whether imported products compete with each other, and with like products of the domestic industry in the United States market, the Commission has considered the following factors:

(a) the degree of fungibility between imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
(b) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
(c) the existence of common or similar channels of distribution of imports from different countries and the domestic like product;
(d) whether the prices of imports and the domestic like product are within a reasonable range; and
(e) whether the imports are simultaneously present in the market.

Certain Steel Wire Nails, supra, USITC Pub. 1730 at 8. No single one of the listed factors is determinative, and the list is not exhaustive.

31/ Statement Filed on Behalf of Aceros Industriales Atlas and Aceros Preformada, S.A. in Opposition to the Antidumping and Countervailing Duty Petitions of the Wire Reinforcement Institute at 16.

32/ Postconference Brief of Petitioner at 23.

33/ See Report at A-21.

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through Laredo, Texas. 34/ Italian and Venezuelan wire mesh is generally imported through Houston and Galveston, Texas. 35/ The distance between Laredo and Houston is approximately 311 miles. 36/ It is, therefore, apparent that mesh imports from Mexico entering through Laredo may serve at least one geographic area (i.e., the area of Texas located between Laredo and Houston) also served by Italian and Venezuelan imports entering through the ports of Galveston and Houston. 37/ We find that cumulation of imports is appropriate in the present case because the subject imports of each of the three countries under investigation compete with each other and with like products of the domestic industry in the same U.S. market. Consequently, analysis in this opinion is based upon cumulation of imports unless otherwise indicated.

Volume--In evaluating the volume of the allegedly LTFV or subsidized imports, the Commission is directed to consider whether the volume of imports, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant. 38/ Imports from Italy and Mexico have always accounted for less than 0.5 percent of apparent consumption. 39/ Imports from Venezuela accounted for less than 0.5 percent of U.S. consumption until January-September 1985, when Venezuelan imports captured 0.6 percent of apparent consumption. 40/ Cumulated imports

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34/ Postconference Brief of Petitioner at 24 and Annex C. Statement Filed on Behalf of Aceros Industriales Atlas and Aceros Preformada, S.A. in Opposition to the Antidumping and Countervailing Duty Petitions of the Wire Reinforcement Institute at 16.

35/ Id.

36/ Rand McNally Road Atlas: United States/Canada/Mexico (1983) at 94.

37/ Note also Annex B of petitioner's postconference submission in which, allegedly, an importer of Mexican wire mesh, which importer is located in Conroe, Texas (a town situated north of Houston), offers to sell Mexican wire mesh to a potential Houston buyer.

38/ 19 U.S.C. § 1677(7)(C)(i).

39/ Report at A-17.

40/ Id.

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from Venezuela, Mexico, and Italy totaled 0.05 percent of apparent consumption in 1982, 0.07 percent of apparent consumption in 1983, 0.33 percent of apparent consumption in 1984, and 1.11 percent during the most recent interim period ending September 30, 1985. 41/ 42/

In absolute terms, the volume of imports from Italy, Mexico, and Venezuela has been very small. The combined quantity of imports from Italy, Mexico, and Venezuela never reached 5,000 tons before 1985. 43/ In the interim period of January-September 1985, imports from the three countries reached its highest level at 7,226 tons. 44/ Even at its highest level, the volume of imports from Italy, Mexico, and Venezuela has been insignificant; particularly when contrasted with U.S. production of 645,423 tons, 45/ and apparent consumption of 653,280 tons 46/ during the same period. In light of the condition of the domestic industry, we find that the volume of imports from Mexico, Italy, and Venezuela is insignificant.

Price--In evaluating the effect of imports on prices, the Commission is directed to consider: (1) whether there has been significant price undercutting by the imports; and (2) whether the effect of imports otherwise

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41/ Id.

42/ Vice Chairman Liebeler notes that the record does not reveal any characteristic of the domestic market for welded steel wire fabric for concrete reinforcement, such as highly inelastic supply and demand curves, that suggest that a relatively small level of imports could result in material injury or threat of material injury. In the absence of such factors, she presumes that an import penetration ratio of less than 2.5 percent is too small to support an affirmative finding. See Certain Welded Carbon Steel Pipes and Tubes from Thailand and Venezuela, Invs. Nos. 701-TA-242 and 731-TA-252-253 (Preliminary), USITC Pub. 1680 (Apr. 1985).

43/ Report at A-17.

44/ Id.

45/ Id. at A-8.

46/ Id. at A-17.

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depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree. 47/

Imported wire fabric from Italy, Mexico, and Venezuela has not had any significant effect on domestic prices. Domestic prices for wire fabric rose during the period under investigation, though somewhat irregularly. 48/ Wire fabric is a commodity product sold primarily on the basis of price. 49/ It is, therefore, significant that the gross profit margin generally rose during the period under investigation, and rose fastest during the interim period ending on September 30, 1985--the period of the greatest cumulated Italian, Mexican, and Venezuelan import penetration. 50/ If domestic prices were being depressed or suppressed, the gross profit margin should have been shrinking rather than expanding.

No reasonable indication of threat of material injury by reason of allegedly LTFV imports and allegedly subsidized imports

The threat of material injury standard "[i]s intended to permit import relief . . . before actual material injury occurs." 51/ Section 612(a)(2)(b) of the Trade and Tariff Act of 1984 amends title VII of the Tariff Act of 1930 by adding subparagraph § 771(7)(F) which lists factors that "[t]he Commission shall consider, among other relevant economic factors" in determining whether a threat of material injury exists. Subparagraph 771(7)(F) also provides that a determination of threat of material injury "[s]hall be made on the basis of evidence that the threat of material injury is real and that actual injury is

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47/ 19 U.S.C. § 1677(7)(C)(ii).
48/ Report at A-18.
49/ Id.
50/ Id. at A-13-A-15.
51/ S. Rep. No. 249, 96th Cong., 1st Sess. 89 (1979); H.R. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979).

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imminent . . . [and] may not be made on the basis of mere conjecture or supposition." 52/ In evaluating threat allegations the Commission must consider how the market operates, the role of imports in the market, any rate of increase in the allegedly unfairly traded imports and their future impact, if any, on the domestic industry. 53/

Consideration of relevant factors leads us to conclude that there is no reasonable indication of threat of material injury in the present case. The available data do not indicate that there is unused capacity in Mexico or Venezuela which, if utilized, would result in a significant increase in imports to the United States. 54/ Assuming arguendo, however, that unused capacity is greater than that found by the Commission and that import penetration from Mexico, Italy, and Venezuela could increase in the near future, such penetration would not automatically evidence a reasonable indication of material injury or a real and imminent threat given increasing domestic production, increasing apparent U.S. consumption, and the general health of the domestic industry. As noted above, imports appear to have no significant effect on domestic prices. 55/ We therefore conclude that there is no reasonable indication that there is a real threat of material injury, or that actual injury to the industry is imminent.

52/ 19 U.S.C. § 1677(7)(F).
53/ H.R. Rep. No. 1156, 98th Cong., 2nd Sess. 173-74 (1984).
54/ Report at A-7; Confidential Submission of Dec. 19, 1985.
55/ See supra p. 13.

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INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On November 20, 1985, the U.S. International Trade Commission and the U.S. Department of Commerce received a petition from counsel for the Wire Reinforcement Institute, Inc. (WRI), a trade association consisting of manufacturers of welded wire fabric, alleging that subsidies are being paid on imports from Italy, Mexico, and Venezuela of welded steel wire fabric for concrete reinforcement, as provided for in item 642.80 of the Tariff Schedules of the United States (TSUS), and that an industry in the United States is materially injured or threatened with material injury by reason of such imports. A second petition was filed by the WRI on the same date alleging that imports of welded steel wire fabric for concrete reinforcement from Italy, Mexico, and Venezuela are being sold in the United States at less than fair value (LTFV), and that an industry in the United States is materially injured or threatened with material injury by reason of such imports. 1/ The Commission therefore instituted preliminary countervailing duty and antidumping investigations under sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a) and 19 U.S.C. § 1673b(a)), respectively, to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of such imports. The statute directs that the Commission make its determinations within 45 days of its receipt of the petitions, or by January 6, 1986.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on November 29, 1985 (50 F.R. 49138). 2/ The public conference was held in Washington, DC, on December 10, 1985. 3/ The Commission voted on the cases on December 20, 1985.

Nature and Extent of Alleged Subsidies

The countervailing duty petitions allege that producers and exporters of welded steel wire fabric for concrete reinforcement in Italy, Mexico, and Venezuela benefit from various subsidies. These allegations are discussed in

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1/ These petitions were originally filed by the WRI on Oct. 24, 1985, and investigations were instituted by the Commission (50 F.R. 45176, Oct. 30, 1985). On Nov. 6, 1985, however, the WRI withdrew its petitions for the purpose of amending them with additional information (50 F.R. 47126, Nov. 14, 1985). When the petitions were refiled, a countervailing duty complaint against the Republic of Korea, which was included in the original filing, was dropped.

2/ Copies of institution notices published by the Commission and Commerce are presented in app. A.

3/ A list of witnesses appearing at the conference is presented in app. B.

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detail in the petitions, and a summary of the allegations involving each country is presented below.

Italy

The petitioner states that subsidies are paid through six programs. The first program provides for a subsidy to be paid to producers of wire rod for scrap used in electric furnaces. The second subsidy is paid under Public Law 639, which provides for rebates of customs duties and certain indirect taxes upon the exportation of products containing specified raw materials. Another program provides for loans to uncreditworthy companies, and Public Law 675 is designed to aid financially distressed industrial sectors through capital grants, low-interest Government loans, and interest subsidies. Finally, Public Law 614 provides tax incentives to certain businesses in central and northern Italy, and Public Law 227 provides export insurance.

Mexico

According to the petition, producers and exporters in Mexico benefit from FOMEX pre-export and export loans, tax credits under the CEPROFI program designed to promote National Development Plan goals, and energy discounts. Additionally, several other programs may be available to producers and exporters of this product.

Venezuela

Four programs are allegedly available to producers and exporters in Venezuela. These are loans administered by the Venezuelan Investment Fund, export certificates for credit against income taxes, multiple exchange rates, and tax contributions to cover debut service costs.

Nature and Extent of Alleged Sales at LTFV

The antidumping petitions provide details of the methodology used by the petitioner to calculate alleged dumping margins for imports from Italy, Mexico, and Venezuela. These allegations are summarized below.

Italy

The petition compares the United States purchase price for 6X6-6X6 welded steel wire fabric for concrete reinforcement, less required adjustments, with a foreign market value derived from information concerning U.S. producers' costs adjusted for differences in Italy. According to these calculations, the dumping margin is 34 percent.

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Mexico

The petition compares the adjusted United States purchase price with the home market price of the product in Mexico. According to the petition, the dumping margin is 56 percent.

Venezuela

After comparing the United States price with the home market price in Venezuela, the petitioners calculate the dumping margin as 50 percent.

The Product

Description and uses

Welded steel wire fabric for concrete reinforcement is produced from cold-drawn steel wires that have been joined by an electric welding process to form sheets or rolls of wire fabric (also called "mesh"). The completed sheet or roll is essentially a series of longitudinal and transverse wires arranged substantially at right angles to each other, having square or rectangular openings, and welded together at all points of intersection. Specifications for welded steel wire fabric constructed with smooth wire are described in American Society for Testing and Materials (ASTM) specification A185, and specifications for fabric constructed with deformed wire are described in ASTM specification A497.

The three sizes of welded steel wire fabric for concrete reinforcement that are the most common in the United States and which account for most of U.S. consumption are as follows:

Size of the rectangular opening of the wire fabric (inches)	Trade designation 1/	Nominal wire diameter (inches)
4 x 4	W4 x W4	0.225 x 0.225
6 x 6	W2.9 x W2.9	0.192 x 0.192
6 x 6	W1.4 x W1.4	0.135 x 0.135

1/ The letter "W" before the size designation indicates smooth wire, while the letter "D" would indicate deformed wire.

Welded steel wire fabric for concrete reinforcement is produced from hot-rolled, low-carbon (between 0.08 and 0.22 percent carbon content) steel rod. The carbon steel rod used in the production of the wire used in the fabric usually has a carbon content of 0.08, 0.10, or 0.12 percent. The coiled rod is purchased in a number of sizes according to need. In the production of wire, the first step is to clean the rod of mill scale and rust either by chemical means or by passing the rod through a mechanical descaler.

The rod is then drawn through a series of dies that reduce the rod to the desired diameter, a process known as cold drawing. Through the cold working of the rod, the mechanical properties of the metal are changed, resulting in increased stiffness, hardness, and tensile strength. The result is smooth round wire. Deformed wire is also used in the manufacture of fabric. In this process, smooth wire leaves the die through which it was drawn and passes through a deforming device called a "turks head." The "turks head," which is a separate component to the wire drawing machine, consists of a series of gears that press down on the wire and make negative indentations. Positive indentation wire, which is manufactured in the United States only on special order, is produced by 3 deforming rollers called "raised ribs" that press on the wire while reducing its diameter. The raised rib is essentially a sine curve that goes around the wire and has a sharp hacksaw blade edge. The purpose of the indentation is to produce a wire surface with a firmer mechanical anchorage in the concrete, since it possesses a larger area to which the concrete can adhere. Most of the wire used for concrete reinforcement fabric is not galvanized because the galvanizing process weakens the tensile strength of the wire. The estimated small percentage of domestic shipments that are galvanized are made by passing drawn longitudinal and transverse wires through a bath of molten zinc, where a corrosion-resistant zinc coating is applied.

The wires in steel wire fabric are usually assembled by automatic, state-of-the-art machines, which ensure accurate spacing and alignment of all longitudinal and transverse wires in the finished fabric. Longitudinal and transverse members are securely joined at every intersection by a process of electric-resistance welding, which employs the principle of fusion combined with pressure.

Welded wire fabric is primarily used for the reinforcement (adding strength and durability) of concrete. Typically, the concrete is poured over a cage or framework of wire fabric, which reinforces the concrete structure in which the wire fabric is used. With respect to the smooth wire fabric, anchorage is developed at the welded intersections; for the deformed wire fabric, anchorage is developed along the deformations in the wire as well as the welded intersections. Smooth and deformed welded wire fabric are generally interchangeable in the marketplace.

According to the WRI, domestic shipments of welded steel wire fabric were used in the following ways during 1984 (in percent):

Use	Share of total shipments
Light (non-load bearing) building mesh in residential and commercial applications	57
Concrete piping	25
Structural applications (columns, floors, prestressed concrete, building slabs, etc.)	11
Heavy building mesh	4
Paving	3
Total	100

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U.S. tariff treatment

Imported welded steel wire fabric for concrete reinforcement is classified for tariff purposes under item 642.80 of the TSUS. As a result of the agreements made during the Tokyo round of Multilateral Trade Negotiations (MTN), the current (effective Jan. 1, 1985) most-favored-nation (MFN) (col. 1) 1/ rate of duty for this item is 6.7 percent ad valorem. It will be reduced in stages to a final rate 2/ of 5.7 percent ad valorem effective January 1, 1987.

The rate of duty for imports under this item from least developed developing countries (LDDC's) 3/ is the final MTN staged rate of 5.7 percent ad valorem. The column 2 rate of duty is 45 percent ad valorem. 4/ Imports under this tariff item have been designated as articles eligible for duty-free entry under the Generalized System of Preferences (GSP). 5/ Imports from Mexico and Venezuela enter under such provisions. Imports under this tariff item, if the product of designated beneficiary countries, are also eligible for duty-free entry under the Caribbean Basin Economic Recovery Act (CBERA). 6/ Effective September 1, 1985, such articles produced in Israel enter free of duty under the United States-Israel Free Trade Area Agreement.

1/ The col. 1 rate is applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(d) of the TSUS. However, these rates would not apply if preferential treatment is sought and granted to products of developing countries under the Generalized System of Preferences (GSP) or the Caribbean Basin Economic Recovery Act (CBERA), or to products of Israel or of least developed developing countries (LDDC's), as provided under the special rates of duty column. The People's Republic of China, Hungary, Romania, and Yugoslavia are the only Communist countries currently eligible for MFN treatment.

2/ Final concession rates granted under the Tokyo round of the MTN are the result of staged duty reductions of col. 1 rates which began Jan. 1, 1980. The reductions will occur annually, with the final rates becoming effective Jan. 1, 1987.

3/ Preferential rates of duty in the Special column followed by the code "D" reflect the full U.S. MTN concession rates implemented without staging for particular products of LDDC's enumerated in general headnote 3(e)(vi) of the TSUS. When no such rate appears in the Special column for a particular tariff item, the rate of duty in col. 1 applies.

4/ Col. 2 rates of duty apply to products imported from those Communist countries and areas enumerated in general headnote 3(d) of the TSUS.

5/ The GSP, enacted as title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented in Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until July 4, 1993.

6/ The CBERA is a program of nonreciprocal tariff preferences granted by the United States to developing countries in the Caribbean Basin area to aid their economic development by encouraging greater diversification and expansion of their production and exports. The CBERA, as enacted in title II of Public Law 98-67 and implemented by Presidential Proclamations Nos. 5133 of Nov. 30, 1983, and 5142 of Dec. 29, 1983, applies to merchandise entered, or withdrawn from warehouse for consumption, on or after Jan. 1, 1984, and is scheduled to remain in effect until Sept. 30, 1995. It provides duty-free entry to eligible articles imported directly from designated countries in the Caribbean Basin area.

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U.S. Market and Channels of Distribution

Apparent U.S. consumption

Apparent U.S. consumption of welded steel wire fabric for concrete reinforcement increased steadily from 589,561 tons in 1982 to 792,934 tons in 1984, or by 34 percent (table 1). This trend continued as apparent U.S. consumption rose from 613,717 tons during January-September 1984 to 653,280 tons during the corresponding period in 1985, an increase of 6 percent.

Table 1.—Welded steel wire fabric for concrete reinforcement: U.S. producers' shipments, imports for consumption, and apparent U.S. consumption, 1982-84, January-September 1984, and January-September 1985

(In tons)

Period	U.S. producers' shipments	U.S. imports for consumption	Apparent consumption
1982	1/ 578,640	10,921	589,561
1983	690,278	7,297	697,575
1984	782,279	10,655	792,934
January-September—			
1984	605,689	8,028	613,717
1985	638,765	14,515	653,280

1/ Does not include shipments of * * *, which accounted for an estimated *** percent of total U.S. shipments in 1984.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

The increased consumption of welded steel wire fabric for concrete reinforcement during 1982-85 corresponds with the increase in consumption of Portland cement during the same period, as reported by the U.S. Bureau of Mines and shown below (in millions of tons):

Period	Consumption of Portland cement
1982	64
1983	71
1984	80
1985 1/	85

1/ Annualized.

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U.S. producers

According to the WRI, 23 firms produced welded steel wire fabric for concrete reinforcement in 1984. The five largest firms, * * *, * * *, * * *, * * *, and * * *, all operate more than one plant and together accounted for 67 percent of total estimated U.S. shipments in 1984. In addition to welded steel wire fabric for concrete reinforcement, these firms produce a wide range of other wire products.

The smaller firms in the industry also produce a number of wire products in addition to welded steel wire fabric for concrete reinforcement. However, these firms tend to produce a more limited range of such products than the larger firms, and they tend to serve more localized markets.

U.S. importers

Based on information available at this time, welded steel wire fabric for concrete reinforcement is imported by a limited number of brokers, construction products chains, and at least one U.S. producer.

Foreign Producers

Italy

No information is available on the Italian industry at this time.

Mexico

In response to a request from the Commission, the Mexican Embassy reported that * * *. Separate information was provided to the Commission by Aceros Industriales Atlas, a company that accounted for *** percent of Mexico's exports to the United States in 1984 (but only *** percent of the production figure reported by the Mexican Embassy for that year). That firm's reported production totaled *** tons in 1982 (* * *), *** tons in 1983, *** tons in 1984, and *** tons during January-September 1985. Its annual capacity is *** tons, resulting in capacity utilization rates of *** percent in 1983, *** percent in 1984, and *** percent during January-September 1985.

Venezuela

Two Venezuelan firms, * * * and * * *, are known to have shipped welded steel wire fabric for concrete reinforcement to the United States. The combined capacity of these firms, as well as their shipments and capacity utilization, have been provided by their counsel and are presented in the following tabulation: 1/

1/ Letters from Mudge, Rose, Guthrie, Alexander & Ferdon to David Coombs dated Dec. 9, 1985, and to Kenneth Mason dated Dec. 12, 1985.

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Item	1983	1984	January-November 1985
Capacity—metric tons—	***	***	***
Domestic shipments metric tons—	***	***	***
Exports:			
To the United States metric tons—	***	***	***
Other exports metric tons—	***	***	***
Capacity utilization percent—	***	***	***

Counsel for these firms states that * * *.

The Question of a Reasonable Indication of Material Injury

Unless otherwise noted, all data presented in this section are based upon questionnaire responses from 17 U.S. producers that are believed to account for nearly all U.S. domestic shipments in 1984.

U.S. production

U.S. production of welded steel wire fabric for concrete reinforcement increased from 583,092 tons in 1982 to 794,118 tons in 1984, or by 36 percent (table 2). Production then rose from 604,780 tons during January-September 1984 to 645,423 tons during January-September 1985, an increase of 7 percent.

Table 2.—Welded steel wire fabric for concrete reinforcement: U.S. production, end-of-period capacity, and capacity utilization, 1982-84, January-September 1984, and January-September 1985

Period	Production	End-of-period capacity	Capacity utilization
	Tons		Percent
1982	1/ 583,092	941,881	2/ 61.9
1983	697,001	990,158	70.4
1984	794,118	1,015,604	78.2
January-September—			
1984	604,780	784,855	77.1
1985	645,423	810,010	79.7

1/ Does not include production of * * *, which accounted for *** percent of U.S. shipments in 1984.

2/ Understated per footnote 1.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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U.S. capacity and capacity utilization

The end-of-period capacity of 17 U.S. producers of welded steel wire fabric for concrete reinforcement increased from 941,881 tons in 1982 to 1,015,604 tons in 1984, or by 8 percent. The end-of-period capacity of these producers rose to 810,010 tons during January-September 1985 as compared with 784,855 tons during January-September 1984, representing a 3-percent increase.

The utilization of capacity by these producers rose steadily from less than 70 percent in 1982 to almost 80 percent during January-September 1985. This increased utilization was accomplished even as producers added to their total available capacity over the period.

Domestic shipments

Domestic shipments of U.S.-produced steel wire fabric for concrete reinforcement increased steadily during the period covered by this investigation, as shown below:

Period	Domestic shipments by U.S. producers (tons)	Value (1,000 dollars)	Average unit value (per ton)
1982	1/ 578,640	1/ 242,996	$420
1983	690,278	2/ 284,606	412
1984	782,279	2/ 346,786	443
Jan.-Sept—			
1984	605,689	2/ 264,558	437
1985	638,765	2/ 283,014	443

1/ Understated as data do not include shipments by * * *, which accounted for approximately *** percent of U.S. shipments in 1984.
2/ Slightly understated.

Domestic shipments rose from 578,640 tons, valued at $243 million, in 1982 to 782,279 tons, valued at $347 million, in 1984. Domestic shipments then increased from 605,689 tons, valued at $265 million, during January-September 1984, to 638,765 tons, valued at $283 million, during January-September 1985. By quantity, domestic shipments increased by 35 percent from 1982 to 1984 and by 5 percent from January-September 1984 to January-September 1985.

U.S. exports

U.S. exports of welded steel wire fabric for concrete reinforcement increased from *** tons, valued at $***, in 1982, to *** tons, valued at $***, in 1984. Exports then increased from *** tons, valued at $***, during January-September 1984, to *** tons, valued at $***, during January-September 1985. Only two firms, * * * and * * *, reported exporting the product during the period covered by this investigation. During all periods, exports accounted for less than *** percent of total shipments.

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U.S. inventories

End-of-period inventories of 15 producers of U.S. welded steel wire fabric for concrete reinforcement, which accounted for almost 80 percent of U.S. shipments in 1984, increased irregularly from 1981 to January-September 1985, as shown below (in tons):

Period	Inventories
1981	24,171
1982	26,011
1983	25,635
1984	29,157
January-September--	
1984	21,797
1985	29,290

As a share of production, end-of-period inventories of the reporting producers varied from 5.1 percent in 1983 and January-September 1984 to 6.4 percent in January-September 1985, as shown in the following tabulation (in percent):

Period	Ratio of inventories to production
1982	6.1
1983	5.1
1984	5.2
January-September— 1/	
1984	5.1
1985	6.4

Employment and wages

Employment of production and related workers increased steadily from 1,238 workers in 1982 to 1,571 workers during January-September 1985 (table 3). The average salary paid to these workers increased from $6.24 per hour in 1982 to $8.88 per hour during January-September 1985. However, the total compensation paid to production and related workers declined from $10.84 per hour in 1982 to $10.75 per hour in 1983, and then increased to $11.62 per hour during January-September 1985. Of the 17 responding firms, 10 reported that their employees are represented by a union.

Financial experience of U.S. producers

All 17 firms furnished usable income-and-loss data on their overall establishment operations and their operations which produced welded steel wire fabric for concrete reinforcement.

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Table 3.—Average number of U.S. production and related workers engaged in the manufacture of welded steel wire fabric for concrete reinforcement, hours worked by such workers, wages paid, and total compensation, 1982-84, January-September 1984, and January-September 1985

Period	Number of workers	Hours worked	Wages paid	Total compensation
		Thousands	Per hour	Per hour
1982	1,238	2,395	$6.24	$10.84
1983	1,358	2,498	8.39	10.75
1984	1,507	2,782	8.78	11.46
January-September—				
1984	1,516	2,074	8.79	11.47
1985	1,571	2,263	8.88	11.62

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Overall establishment operations.—Aggregate net sales of all products produced in the establishments within which welded steel wire fabric for concrete reinforcement was produced decreased 4.3 percent from $1.0 billion in 1982 to $961.1 million in 1983, and then increased 19.7 percent to $1.2 billion in 1984 (table 4). During the interim periods ended September 30, aggregate net sales declined from $800.4 million in 1984 to $720.8 million in 1985, or by 10.0 percent.

The 17 firms incurred an aggregate operating loss of $64.9 million in 1982, or 6.5 percent of aggregate net sales. In 1983, the producers reported an aggregate operating loss of $68.1 million, which was 7.1 percent of aggregate net sales. In 1984, aggregate operating income of $22.5 million was earned, which was 2.0 percent of aggregate net sales. During the interim periods ended September 30, aggregate operating income decreased 74.9 percent from $19.5 million in 1984 to $4.9 million in 1985. The interim period operating margins in 1984 and 1985 were 2.4 percent and 0.7 percent, respectively. Six firms reported operating losses in 1982, four in 1983, and three in 1984. In the interim periods, two producers incurred operating losses in 1984 and in 1985.

It should be noted that two large producers 1/ sustained substantial and frequent operating losses on their establishment operations throughout the period under review. Consequently, aggregate operating results have been adversely impacted because of the size of these two producers' establishment operations. Because of their impact on aggregated operating results and because their frequent losses are an anomaly in comparison with other welded steel wire fabric for concrete reinforcement producers, these two producers' establishment operating results are compared with the aggregate establishment operating results of the other 15 producers in table 5.

1/ * * * and * * *.

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Table 4—Income-and-loss experience of 17 U.S. producers 1/ on the overall operations of their establishments within which welded steel wire fabric for concrete reinforcement is produced, accounting years 1982-84, and interim periods ended Sept. 30, 1984, and Sept. 30, 1985

Item	1982 2/	1983 3/	1984	Interim periods ended Sept. 30— 1984 4/	1985 4/
Net sales———1,000 dollars—	1,003,951	961,094	1,150,681	800,445	720,758
Cost of goods sold———do——	982,053	945,514	1,037,771	716,451	646,372
Gross profit———————do——	21,898	15,580	112,910	83,994	74,386
General, selling, and administrative expenses 1,000 dollars—	86,824	83,629	90,401	64,539	69,506
Operating income or (loss) 1,000 dollars—	(64,926)	(68,049)	22,509	19,455	4,880
As a share of net sales:					
Cost of goods sold percent—	97.8	98.4	90.2	89.5	89.7
Gross profit———————do——	2.2	1.6	9.8	10.5	10.3
General, selling, and administrative expenses percent—	8.6	8.7	7.9	8.1	9.6
Operating income or (loss) percent—	(6.5)	(7.1)	2.0	2.4	.7
Ratio of net sales of welded steel wire fabric for concrete reinforcement to establishments' sales percent—	25.0	30.7	31.2	33.9	38.0
Number of firms reporting operating losses————————	6	4	3	2	2

1/ The 17 U.S. producers that submitted usable data are Atlas Steel & Wire Corp.; CF&I Corp.; Continental Steel Corp.; Davis Walker Corp.; Davis Walker Steel & Wire Corp.; Exposaic Wire Co.; Fischer Steel Corp.; Florida Wire Products Corp.; Forbes Steel & Wire Corp.; Hallet Wire Products Co.; Hurricane Mesh Corp.; Ivy Steel & Wire Co.; Keystone Steel & Wire Co.; Metrock Steel & Wire, Inc.; National Wire Products Corp.; O'Brien Wire Products of Texas, Inc.; and Reeves Southeastern Corp.

2/ * * * provided no financial information because the company did not exist in 1982.

3/ Includes 6 months of operating data for * * *, which began operations on May 1, 1983.

4/ * * *'s accounting year ends on Sept. 30; their interim period data are for the 12-month periods ended Sept. 30, 1984, and Sept. 30, 1985

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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Table 5.—Income-and-loss experience of 15 producers, * * *, and * * * on the overall operations of their establishments within which welded steel wire fabric for concrete reinforcement is produced, accounting years 1982-84, and interim periods ended Sept. 30, 1984, and Sept. 30, 1985

* * * * * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Welded steel wire fabric for concrete reinforcement.—Aggregate net sales of welded steel wire mesh for concrete reinforcement increased from $251.3 million in 1982 to $295.1 million in 1983, a 17.4 percent increase, and then increased 21.5 percent to $358.5 million in 1984 (table 6). During the interim periods ended on September 30, aggregate net sales of welded steel wire fabric for concrete reinforcement increased slightly from $271.1 million in 1984 to $273.8 million in 1985.

The industry sustained an aggregate operating loss in 1982 of $4.4 million, or 1.7 percent of aggregate net sales. Aggregate operating income in 1983 was $12.0 million, which was 4.1 percent of aggregate net sales; in 1984, aggregate operating income was $14.4 million, or 4.0 percent of aggregate net sales. During the interim periods ended September 30, aggregate operating income increased from $13.2 million in 1984 to $14.8 million in 1985, an increase of 11.7 percent. The interim period operating margins in 1984 and 1985 were 4.9 percent and 5.4 percent, respectively.

In 1982, 9 of the 17 producers reported operating losses, compared with 6 in 1983 and 5 in 1984; in the interim periods, 5 firms reported operating losses in 1984 and 4 in 1985.

Three firms sustained operating losses in every period under review. Two firms, * * * and * * *, incurred substantial losses. Their losses were of such a magnitude that their aggregate operating results are provided separately in table 7.

Aggregate net sales of the 15 producers of welded steel wire fabric for concrete reinforcement (as shown in table 7) increased each year throughout the period under review. Aggregate net sales of $*** million in 1982 increased *** percent to $*** million in 1983 and then increased an additional *** percent in 1984 to $*** million.

The 15 producers earned aggregate operating income of $*** million in 1982, which increased over *** percent to $*** million in 1983. In 1984, aggregate operating income amounted to $*** million, which represents a ***-percent decline from 1983 aggregate operating income.

During the interim periods ended September 30, 1984, and September 30, 1985, aggregate net sales for the 15 producers increased from $*** million to $*** million, or by only *** percent. Aggregate operating income was $*** million and $*** million in 1984 and 1985, respectively.

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Table 6.—Income-and-loss experience of 17 U.S. producers on their operations producing welded steel wire fabric for concrete reinforcement, accounting years 1982-84, and interim periods ended Sept. 30, 1984, and Sept. 30, 1985

Item	1982 1/	1983 2/	1984	Interim periods ended Sept. 30—	
				1984 3/	1985 3/
Net sales------1,000 dollars—	251,303	295,112	358,505	271,054	273,806
Cost of goods sold------do——	232,456	258,321	314,154	236,109	234,511
Gross profit----------do——	18,847	36,791	44,351	34,945	39,295
General, selling, and administrative expenses 1,000 dollars—	23,224	24,792	29,950	21,740	24,539
Operating income or (loss) 1,000 dollars—	(4,377)	11,999	14,401	13,205	14,756
As a share of net sales:					
Cost of goods sold-percent—	92.5	87.5	87.6	87.1	85.6
Gross profit-------do——	7.5	12.5	12.4	12.9	14.4
General, selling, and administrative expenses percent—	9.2	8.4	8.4	8.0	9.0
Operating income or (loss) percent—	(1.7)	4.1	4.0	4.9	5.4
Number of firms reporting operating losses----------	9	6	5	5	4

1/ * * * provided no financial information because the company did not exist in 1982.

2/ Includes 6 months of operating data for * * *, which began operations on May 1, 1983.

3/ * * *'s accounting year ends on Sept. 30; their interim period data are for the 12-month periods ended Sept. 30, 1984, and Sept. 30, 1985.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 7.—Income-and-loss experience of 15 producers, * * *, and * * * on their operations producing welded steel wire fabric for concrete reinforcement, accounting years 1982-84, and interim periods ended Sept. 30, 1984, and Sept. 30, 1985

* * * * * * *

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

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* * *'s net sales of welded steel wire fabric for concrete reinforcement were $*** million in 1982. Net sales * * *. * * *.

* * *'s net sales of welded steel wire fabric for concrete reinforcement * * *.

Throughout the entire period under review, * * *.

The Question of a Reasonable Indication of Threat of Material Injury

Available data concerning exports of welded steel wire fabric for concrete reinforcement from the countries covered by these investigations to the United States are presented in the "Foreign producers" section of this report. Data regarding imports from the subject countries are presented in the "U.S. imports" section of this report.

The Question of the Causal Relationship Between Alleged Material Injury and Allegedly Subsidized and LTFV Imports from Italy, Mexico, and Venezuela

U.S. imports

Italy.—Imports from Italy first entered the United States in a meaningful quantity during January-September 1985, when 2,279 tons, valued at $652,000, were entered (table 8). The average unit value of these imports was $286 per ton.

Mexico.—Imports from Mexico increased from 314 tons, valued at $109,000, in 1982 to 2,055 tons, valued at $772,000, in 1984, representing a fivefold increase. Imports then declined slightly from 1,374 tons during January-September 1984 to 1,242 tons during January-September 1985.

Venezuela.—Imports from Venezuela first entered the United States in 1984 when 584 tons, valued at $178,000, were landed. Imports during January-September 1985 totaled 3,705 tons, valued at $1 million, a substantial increase from the 341 tons, valued at $104,000, entered during January-September 1984. The average unit value of these imports declined from $304 per ton in 1984 to $272 during January-September 1985. * * *.

Combined imports from Italy, Mexico, and Venezuela.—Imports from the three countries named in the petitions increased from 314 tons in 1982 to 2,639 tons in 1984. The combined quantity of imports from these countries then rose sharply from 1,715 tons during January-September 1984 to 7,226 tons during January-September 1985.

Total imports.—Imports from all sources decreased slightly from 10,921 tons, valued at $4.6 million, in 1982 to 10,655 tons, valued at $5.2 million, in 1984. Total imports then rose from 8,028 tons, valued at $3.9 million, during January-September 1984 to 14,515 tons, valued at $5.8 million, during January-September 1985, an 81-percent increase by quantity.

Table 8.—Welded steel wire fabric for concrete reinforcement: U.S. imports for consumption, by principal sources, 1982-84, January-September 1984, and January-September 1985

Item	1982	1983	1984	January-September	
				1984	1985
	Quantity (tons)				
Italy	0	1/	0	0	2,279
Mexico	314	477	2,055	1,374	1,242
Venezuela	0	0	584	341	3,705
Subtotal	314	477	2,639	1,715	7,226
All other	10,607	6,820	8,016	6,313	7,289
Total	10,921	7,297	10,655	8,028	14,515
	Value (1,000 dollars)				
Italy	0	1	0	0	652
Mexico	109	178	772	462	499
Venezuela	0	0	178	104	1,006
Subtotal	109	179	950	566	2,157
All other	4,461	3,463	4,211	3,340	3,682
Total	4,570	3,642	5,161	3,906	5,839
	Unit value (per ton)				
Italy	-	2/	-	-	$286
Mexico	$346	$374	$376	$336	402
Venezuela	-	-	304	305	272
Average	346	375	360	330	299
All other	421	508	525	529	505
Average	418	499	484	487	402

1/ Less than 0.5 ton.
2/ Unable to calculate.

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Market penetration

Imports from Italy and Mexico have always accounted for less than 0.5 percent of apparent consumption (table 9). Imports from Venezuela accounted for less than 0.5 percent of U.S. consumption until January-September 1985, when these imports captured 0.6 percent of apparent consumption. Combined, imports from Italy, Mexico, and Venezuela accounted for 1.1 percent of apparent consumption during January-September 1985. Total imports of this product from all sources captured their largest share of apparent consumption, 2.2 percent, during January-September 1985.

Table 9.--Welded steel wire fabric for concrete reinforcement: U.S. imports from Venezuela, Italy, and Mexico, apparent U.S. consumption, and ratio of imports from Venezuela, Italy, and Mexico to apparent U.S. consumption, 1982-84, January-September 1984, and January-September 1985

Period	Imports				Apparent U.S. consumption	Ratio to consumption of imports from—			
	Venezuela	Italy	Mexico	Total 1/		Venezuela	Italy	Mexico	Total 1/
	Tons					Percent			
1982	0	0	314	314	589,561	-	-	0.05	0.05
1983	0	0	477	477	679,575	-	-	0.07	0.07
1984	584	0	2,055	2,639	792,934	0.07	-	0.26	0.33
Jan.-Sept--									
1984	341	0	1,374	1,715	613,717	0.06	-	0.22	0.28
1985	3,705	2,279	1,242	7,226	653,280	0.57	0.35	0.19	1.11

1/ Venezuela, Mexico, and Italy.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from official statistics of the U.S. Department of Commerce.

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Prices

Prices for welded wire fabric for concrete reinforcement are arrived at through competition among domestic producers for such customers as wholesalers, lumberyards, and contractors. Price is the most important factor in purchasing welded wire fabric. In price negotiations, the purchaser will generally buy the cheapest product without regard to country of origin, because the domestic and imported products are of equal quality and meet established ASTM standards. Wire fabric prices are highly sensitive as producers, distributors, and importers compete for the same customers. Purchasers often canvas suppliers for the best price they can find. Although some producers publish prices, the price-sensitive market for this product means that prices usually vary as individual sales are negotiated.

Most producers typically offer discount sales terms that enable purchasers to pay 1 to 2 percent of the purchase price during the first 10 days, with the net balance due in 30 days. For large sales, most producers discount their prices between 3 and 10 percent. Late charges are usually not applied or not enforced on overdue accounts. Most producers do not offer financing to their customers.

Domestic price trends.—The prices tabulated below, which were obtained from data submitted in response to Commission questionnaires, reflect a weighted average of the largest single sale reported by each producer to a customer from January-March 1983 to July-September 1985. The questionnaire survey of producers indicates that prices are most frequently quoted on an f.o.b. factory basis. Producer prices for 6x6, W1.4xW1.4, 10 gauge (21 pounds per 100 square feet) fabric rose steadily from $3.74 per 100 square feet during January-March 1983 to $4.10 during July-September 1984, before declining slightly during October-December 1984 and January-September 1985, as shown in the following tabulation (per 100 square feet):

Period of shipment	10 gauge	6 gauge
1983:		
January-March	$3.74	$7.22
April-June	3.69	7.10
July-September	3.62	7.10
October-December	3.82	7.42
1984:		
January-March	3.87	7.88
April-June	3.93	7.89
July-September	4.10	8.15
October-December	4.09	8.16
1985:		
January-March	4.06	8.47
April-June	4.09	8.17
July-September	4.04	8.11

Prices increased over the entire period of the investigation by 8 percent. Producers' prices for 6x6, W2.9xW2.9, 6 gauge (42 pounds per 100 square feet) fabric rose 12 percent from $7.22 per 100 square feet during January-March 1983 to $8.11 during July-September 1985.

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Import prices.—Import prices are quoted f.o.b. point of entry. Imports are sold largely through brokers who then sell to distributors, fabricators, and in at least two cases, U.S. producers of welded wire fabric. Eight importers returned questionnaires, but only three reported import prices, and all of these involved deformed wire fabric from Venezuela. 1/

While the Commission did not receive any price data for Italian product from questionnaires, one U.S. importer provided the following information by telephone. The data represent prices (per 100 square feet) for this firm's largest sales to distributors during the specified periods, and are believed to be at the same level of distribution as prices reported by producers. In each case, reported prices for the Italian product are higher than the U.S. producers' average price in the same period.

6x6, W1.4, 10 gauge, 21 pounds

July-Sept. 1985——	$***

6x6, W2.9, 6 gauge, 42 pounds

July-Sept. 1985——	$***

6x6, D2.9, 6 gauge, 42 pounds

Jan.-Mar. 1985——	$***
Apr.-June 1985——	***
July-Sept. 1985 —	***

Counsel for Aceros Industriales Atlas, a Mexican producer, reported the following prices (per 100 square feet) for exports to * * * during 1983-85. The prices are landed, duty-paid at the U.S. port of entry and were reportedly in effect for the entire period specified. Because these data represent a cost to the importer at the port of entry, they are not directly comparable with the selling price data reported by U.S producers.

6x6, W1.4, 10 gauge, 21 pounds

1983————	$***
1984————	***
1985————	***

6x6, W2.9, 6 gauge, 42 pounds

1983————	$***
1984————	***
1985————	***

Net f.o.b. prices reported by importers of deformed wire fabric from Venezuela are presented in the tabulation on the following page:

1/ Industry sources indicate that U.S. producers do not regularly produce deformed wire fabric of the sizes subject to these investigations, but that imported deformed wire fabric may be substituted for smooth for most uses.

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Period of shipment	6x6, D1.4, 10 gauge		6x6, D2.9, 6 gauge	
	Quantity	Value	Quantity	Value
	100 square feet	Per 100 square feet	100 square feet	Per 100 square feet
April-June 1984	***	$***	-	-
April-June 1985	-	-	***	$***
July-September 1985	***	1/ ***	***	1/ ***
July-September 1985	***	2/ ***	***	2/ ***

1/ This price was reported by * * *.
2/ This price was reported by * * *.

Because of the lack of price data for imports subject to these investigations, information has been collected on the average unit value of such imports from official statistics of the Department of Commerce (table 10). These unit values represent the value of the product f.o.b. foreign port and include all sizes of wire fabric. Accordingly, they cannot be compared with the U.S. producer prices discussed in the previous section, but should be useful for trend analysis.

Table 10.—Welded steel wire fabric for concrete reinforcement: Average unit value of imports from Italy, Mexico, and Venezuela, by quarters, January 1983-September 1985

(Cents per pound)

Period	Italy	Mexico	Venezuela
1983:			
January-March	-	17.56	-
April-June	-	14.76	-
July-September	66.25	20.71	-
October-December	-	18.67	-
1984:			
January-March	-	16.72	-
April-June	-	15.67	15.27
July-September	-	17.97	-
October-December	-	22.72	15.10
1985:			
January-March	13.93	20.26	15.24
April-June	-	19.68	13.43
July-September	14.35	20.63	13.46

Source: Compiled from official statistics of the U.S. Department of Commerce.

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Transportation costs.—Industry sources indicated that wire fabric is usually transported by flat-bed trailer truck in the United States. Producers reported that wire fabric is too costly to truck more than 300 or 400 miles from the production plant. The average shipping cost ranged between 3.5 and 5.0 percent of the delivered price for both smooth gauges. The average reported shipping costs paid by producers for smooth wire fabric (10 gauge, 21 pounds per 100 square feet) generally varied between $0.16 and $0.21 per 100 square feet. Average costs paid by producers for 10 gauge have moved downward from $0.21 during January-March 1983 to $0.17 during July-September 1985. The average reported shipping costs paid by producers for smooth wire fabric (6 gauge, 42 pounds per 100 square feet) varied between $0.30 and $0.35. Average costs paid by producers for 6 gauge have moved unevenly downward from $0.40 per 100 square feet during April-June 1983 to $0.33 during July-September 1985. Of the 14 producers that responded to the Commission's questionnaire, 9 reported that they practiced freight equalization.

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that from January 1983 to June 1985 the nominal value of the Italian lira, the Mexican peso, and the Venezuelan bolivar depreciated relative to the U.S dollar by 29.0 percent, 53.3 percent, and 42.8 percent, respectively (table 11). 1/ The high inflation rates in Italy and Venezuela during the same period resulted in the devaluation of the currencies of those countries in real terms by 15.6 percent and 21.0 percent, respectively—significantly less than the respective apparent depreciations of 29.0 percent and 42.8 percent represented by the nominal devaluation. 2/

For the peso, the trend differed. Mexico's very high inflation rate relative to that in the United States offset the impact of depreciating nominal exchange rates during most of the period. The international purchasing power of the Mexican peso increased by 40.3 percent during January 1983 through March 1985, and then depreciated by 0.1 percent during April-June 1985, as opposed to the overall apparent depreciation of 53.3 percent represented by the commensurate nominal devaluation.

1/ International Financial Statistics, October 1985.

2/ The percentage change in the international purchasing power of each currency from January-March 1983 provides an indication of the maximum amount that a foreign producer or its agent can reduce its U.S. dollar prices of foreign products in the U.S. market without reducing its profits, assuming it has no U.S. dollar-denominated costs or contracts. A foreign producer, however, may choose to increase its profits by not reducing its prices or by reducing its prices by less than the depreciation would allow. Within specific industries, such as the steel wire fabric industry, the proportion of foreign producers' costs attributable to imports of raw materials and energy from the United States or from countries whose currencies are linked to the dollar would vary by specific product and producer.

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Table 11.--Exchange rates: 1/ Nominal-exchange-rate equivalents of the Italian lira, the Mexican peso, and the Venezuelan bolivar in U.S. dollars, real-exchange-rate equivalents, 2/ and producer-price indicators in the United States, Italy, Mexico, and Venezuela, 3/ indexed by quarters, January 1983-June 1985

(January-March 1983=100.0)

Period	U.S. producer price index	Italy			Mexico			Venezuela		
		Producer price index	Nominal-exchange-rate index	Real-exchange-rate index	Producer price index	Nominal-exchange-rate index	Real-exchange-rate index	Producer price index	Nominal-exchange-rate index	Real-exchange-rate index
1983:										
Jan.-Mar---	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	4/ 100.0	100.0
Apr.-June--	100.3	101.6	94.7	96.0	121.3	89.3	108.1	102.4	4/ 99.9	102.0
July-Sept--	101.3	104.0	88.9	91.3	136.9	80.9	109.4	106.1	4/ 99.8	104.6
Oct.-Dec---	101.8	107.4	86.1	90.9	152.0	73.9	110.4	108.1	4/ 99.8	106.0
1984:										
Jan.-Mar---	102.9	110.8	84.2	90.7	181.1	68.0	119.8	111.9	77.0	83.8
Apr.-June--	103.6	113.3	83.5	91.4	209.4	63.0	127.4	117.1	57.2	64.7
July-Sept--	103.3	114.7	77.8	86.4	227.1	58.7	129.1	126.3	57.2	70.0
Oct.-Dec---	103.0	116.9	74.0	84.0	251.5	54.9	134.1	134.0	57.2	74.4
1985:										
Jan.-Mar---	102.9	120.1	69.2	80.8	283.8	50.9	140.3	138.8	57.2	77.2
Apr.-June--	103.0	5/ 122.8	71.0	84.4	5/ 309.3	46.7	140.2	5/ 142.2	57.2	79.0

1/ Exchange rates expressed in U.S. dollars per unit of foreign currency.

2/ The real value of a currency is the nominal value adjusted for the difference between inflation rates as measured by the producer price indexes in the United States and the respective foreign country. Producer prices in the United States increased by 3.0 percent during January 1983-June 1985, compared with a 22.8-percent increase in Italy, a 209.3-percent increase in Mexico, and a 42.2-percent increase in Venezuela during the same period.

3/ Producer price indicators--intended to measure final product prices--are based on average quarterly indexes presented in line 63 of International Financial Statistics.

4/ The Venezuelan bolivar, because it had been pegged to the U.S. dollar at a ratio of approximately 4.3 to 1, maintained its nominal value relative to the dollar during January-December 1983, and then depreciated by 42.7 percent during January 1984-June 1985.

5/ Preliminary.

Source: International Monetary Fund, International Financial Statistics, October 1985.

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Lost sales and revenues

* * * alleged that on * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a wholesaler/distributor in * * * at a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. An official for * * * did not confirm this allegation, although he stated that he recently placed an order for the Venezuelan product for a total savings of $*** over the U.S.-produced product.

* * * alleged that on * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a distributor in * * *, at a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. * * * also alleged that it attempted to sell the same company *** pounds of smooth wire fabric (* * *) on * * * at a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. An official for * * * denies both allegations. He stated that he lost the same sales to an importer in * * *. The official stated that wire fabric is a key product in building construction and that he sells to lumberyards and wholesalers in the * * * area. He stated that the imported product meets standards and that he would buy the product subject to low price and availability.

* * * alleged that on * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a retailer in * * *, for a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. An official of * * * confirmed the allegation in general terms. He stated that he bought the Venezuelan product from a broker in * * * because the price was lower than the U.S.-produced product and that the quality was equally good.

* * * alleged that on * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * * of * * * for a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. Staff could not investigate the allegation as officials of * * * would not return calls.

* * * alleged that in * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * * for a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Italy, for $***. Staff calls to * * * were not returned.

* * * also alleged that in * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a distributor/wholesaler/fabricator, for a total delivered price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. An official for * * * denied the specific allegation and stated that his company purchased fabric imported from Venezuela from * * *. He stated that his company sells wire fabric from Venezuela, but that it was not the importer of record.

* * * alleged that in * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a retailer/lumberyard, for a total delivered

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price of $***, but that * * * declined the offer and instead purchased this quantity, produced in Venezuela, for $***. An official for * * * confirmed this loss. He stated that wire fabric is a low-profit item, but a necessary evil given its importance to building construction. The official purchases the imported product because it is less expensive than the U.S.-made product and because the quality is comparable.

* * * alleged that in * * * it attempted to sell *** pounds of smooth wire fabric (* * *) to * * * for a total delivered price of $***, and that he had to lower his price to $*** in order to meet the price offered to * * * of $***. Staff has not received a response from * * *.

* * * alleged that it attempted to sell *** pounds of smooth wire fabric (* * *) to * * *, a distributor, for a total delivered price of $***, but that * * * declined the offer and instead purchased the same quantity, produced in Venezuela, for $***. An official from * * * stated that the amount alleged represented a sale larger than the amount of fabric his company would purchase in a given year. As a result, this official did not confirm the allegation. However, he did state that imports are cheaper and that the quality is as good as U.S.-produced fabric. He stated that in some cases producers have reduced their prices to meet import competition, and in other cases they lose sales.

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APPENDIX A

FEDERAL REGISTER NOTICES

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INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-263(A), 263(A), and 264(A) (Preliminary) and 731-TA-289(A)-291(A) (Preliminary)] [1]

Welded Steel Wire Fabric for Concrete Reinforcement From Italy, Mexico, and Venezuela

AGENCY: International Trade Commission.

[1] On Oct. 24, 1985, the Commission instituted investigations Nos. 701-TA-261 through 264 and 731-TA-289 through 291 (Preliminary) in response to petitions filed by the Wire Reinforcement Institute

Continued

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ACTION: Institution of preliminary countervailing duty and antidumping investigations and scheduling of a conference to be held in connection with these investigations.

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701–TA–281(A), 283(A), and 284(A) (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Italy, Mexico, and Venezuela of welded wire cloth, gauze, fabric, screen, netting, and fencing, not cut to shape, for concrete reinforcement, provided for in item 842.8010 of the Tariff Schedules of the United States Annotated, which are alleged to be subsidized by the Governments of Italy, Mexico, and Venezuela. As provided in section 703(a), the Commission must complete preliminary countervailing duty investigations in 45 days, or in these cases by January 6, 1986.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731–TA–289(A)–291(A) (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Italy, Mexico, and Venezuela of welded wire cloth, gauze, fabric, screen, netting, and fencing, not cut to shape, for concrete reinforcement, provided for in item 842.8010 of the Tariff Schedules of the United States Annotated, which are alleged to be sold in the United States at less than fair value. As provided in section 733(a), the Commission must complete preliminary antidumping investigations in 45 days, or in these cases by January 6, 1986.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and B (19 CFR Part 207), and Part 201, subparts A through E (19 CFR part 201).

EFFECTIVE DATE: November 20, 1985.

FOR FURTHER INFORMATION CONTACT: David Coombs (202–523–1376) or Lynn Featherstone (202–523–0242), Office of Investigations, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–724–0002.

SUPPLEMENTARY INFORMATION:

Background

These investigations are being instituted in response to petitions filed on November 20, 1985 by the Wire Reinforcement Institute, Inc., McLean, Virginia.

Participation in These Investigations.

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 201.11), not later than seven (7) days after publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairwoman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service List

Pursuant to § 201.11(d) of the Commission's rules (19 CFR § 201.11(d)), the Secretary will prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each document filed by a party to these investigations must be served on all other parties to these investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Conference

The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on December 10, 1985, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, DC. Parties wishing to participate in the conference should contact Lynn Featherstone (202–523–0242) not later than December 6, 1985, to arrange for their appearance. Parties in support of the imposition of countervailing and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written Submissions

Any person may submit to the Commission on or before December 12, 1985, a written statement of information pertinent to the subject of these investigations, as provided in § 207.15 of the Commission's rules (19 CFR 207.15). A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

Authority

These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

Issued: November 22, 1985.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 85–28390 Filed 11–27–85; 8:45 am]

BILLING CODE 7020–02–M

(50 F.R. 46178, Oct. 30, 1985). On Nov. 6, 1985, however, the Wire Reinforcement Institute withdrew its petitions for the purpose of amending them with additional information (see 50 F.R. 47235, Nov. 14, 1985). The amended petitions, which cover the same products as the original petitions, but which no longer include imports from Korea, were filed on Nov. 20, 1985. The suffix "(A)" on the Commission's investigation numbers denotes investigations based on the amended petitions.

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[D-475-804]

Initiation of Countervailing Duty Investigation; Welded Steel Wire Fabric for Concrete Reinforcement From Italy

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Italy of welded steel wire fabric for concrete reinforcement, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that is may determine whether imports of the subject merchandise from Italy materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If our investigation proceeds normally, we will make our preliminary determination on or before February 13, 1986.

EFFECTIVE DATE: December 16, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department

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of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1985, we received a petition in proper form filed by the Wire Reinforcement Institute, Inc., on behalf of the U.S. industry producing welded steel wire fabric for concrete reinforcement (wire fabric). In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Italy of wire fabric receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), and that an industry in the United States is threatened with material injury by reason of imports of this merchandise.

Since Italy is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation and the ITC is required to determine whether imports of the subject merchandise from Italy materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire fabric from Italy and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Italy of wire fabric receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before February 13, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as material composed of cold-drawn steel wires, whether or not deformed, fabricated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wires arranged at substantially right angles to each other and welded together at all points of intersection, as described in ASTM Specifications A-185 and A-497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States* Annotated (TSUSA).

Allegations of Subsidies

The petition lists a number of practices by the government of Italy which allegedly confer subsidies on manufacturers, producers, or exporters in Italy of wire fabric. We are initiating an investigation on the following programs:

- Scrap Subsidy (Government Payments on Imports of Scrap)
- Rebate of Customs Duties and Certain Indirect Taxes Under Law 639
- Preferential Financing Under Laws 902 and 908
- Financial Aid Provided to Distressed Industrial Sectors Under Law 675
- Regional Tax Incentives to Certain Enterprises in Northern and Central Italy

We are not initiating an investigation on the following program: *Preferential Export Insurance Provided Under Law 227.* Petitioner alleges that producers and exporters of wire fabric in Italy may benefit from a preferential government insurance scheme and a government export insurance program whereby coverage on loans for export is obtained at a reduced rate. We requested further information from petitioner as to whether the rates paid were adequate to cover the long-term operating costs and losses of the program, as required by section J of the Illustrative List of Export Subsidies. Petitioner was unable to provide this information. Therefore, we are not including this program in our initiation.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all non-privileged and non-confidential information. We also will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Italy materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 10, 1985.

[FR Doc. 85-29713 Filed 12-13-85; 8:45 am]

BILLING CODE 3510-DS-M

[C-201-502]

Initiation of Countervailing Duty Investigation; Welded Steel Wire Fabric for Concrete Reinforcement From Mexico

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Mexico of welded steel wire fabric for concrete reinforcement, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Mexico materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If our investigation proceeds normally, we will make our preliminary determination on or before February 13, 1986.

EFFECTIVE DATE: December 16, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1985, we received a petition in proper form filed by the Wire Reinforcement Institute, Inc., on behalf of the U.S. industry producing welded steel wire fabric for concrete reinforcement (wire fabric). In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Mexico of wire fabric receive subsidies within the meaning of section

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701 of the Tariff Act of 1930, as amended (the Act), and that an industry in the United States is threatened with material injury by reason of imports of this merchandise.

On April 23, 1985, the Office of the United States Trade Representative announced that Mexico is a "country under the Agreement", within the meaning of section 701(b)(2) of the Act. Consequently, Title VII of the Act applies to this investigation and an injury determination is required.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the pitition sets forth the allegations necessary for initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire fabric from Mexico and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Mexico of wire fabric receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before February 13, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as materials composed of cold-drawn steel wires, whether or not deformed, fabricated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wires arranged at substantially right angles to each other and welded together at all points of intersection, as described in ASTM Specifications A–185 and A–497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States Annotated* (TSUSA).

Allegations of Subsidies

The petition lists a number of practices by the government of Mexico which allegedly confer subsidies on manufacturers, producers, or exporters, in Mexico of wire fabric. We are initiating an investigation on the following programs:

- Fund for the Promotion of Exportation of Mexican Manufactured Products (FOMEX).
- Preferential Federal Tax Credits (CEPROFI).
- Energy Discounts.
- Import Duty Reductions and Exemptions.
- Accelerated Depreciation Allowances.
- New Exchange Risks Trust Fund Program (FICORCA).
- Article 94 Loans.

Although not specifically alleged by petitioner, we are initiating an investigation to find out if the Mexican wire fabric industry receives any benefits under the following program:

- Nacional Financiera, S.A., Loans (NAFINSA).
- Trust for Industrial Parks, Cities, and Commercial Centers (FIDEIN).
- Foreign Currency Financing of Imports (PROFIDE).
- Loans from the Mexican National Bank for Foreign Trade (BANCOMEXT).
- Government Financed Technology Development.
- The Mexican Institute of Foreign Trade (IMCE).
- Preferential Vessel, Freight, Terminal and Insurance Benefits.
- Fund for Industrial Development (FONEI).
- Guarantee and Development Fund for Medium and Small Industries (FOGAIN).
- National Fund for Industrial Development (FOMIN).
- Port Facilities.
- Preferential State Investment Incentives.
- Export Credit Insurance.
- Drawback Adjusted for Changes in Exchange Rates.
- Temporary Importation Scheme.

We are not initiating an investigation on the following program: *Preferential Pricing of Wire Rod Inputs Used for Export* Petitioner alleges that manufacturers of wire fabric receive preferential pricing of wire rod inputs, citing *Welded Carbon Steel Pipe and Tube from Mexico* as documentation for this program. In the *Preliminary Affirmative Countervailing Duty Determination: Welded Carbon Steel Pipe and Tube Products from Mexico* (50 F.R. 4555) (January 31, 1985), the program which was found countervailable was "Preferential Pricing of Sheet Inputs Used for Export". This finding does not lend itself to parallel comparison with the present case because the input under consideration in that case (sheet) is not the same input as that for wire fabric. We requested clarification of the above allegation, but petitioner has presented no further information. Therefore, we are not including this program in our initiation.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all non-privileged and non-confidential information. We also will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Mexico materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 4, 1985.

[FR Doc. 85–29714 Filed 12–13–85; 8:45 am]

BILLING CODE 3510–DS–M

[C–307–508]

Initiation of Countervailing Duty Investigation; Welded Steel Wire Fabric for Concrete Reinforcement From Venezuela

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Venezuela of welded steel wire fabric for concrete reinforcement, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action, so that it may determine whether imports of the subject merchandise from Venezuela materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If our investigation proceeds normally, we will

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make our preliminary determination on or before February 13, 1986.

EFFECTIVE DATE: December 16, 1985.

FOR FURTHER INFORMATION CONTACT: Mary Martin, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230; telephone (202) 377-2830.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1985, we received a petition in proper form filed by the Wire Reinforcement Institue, Inc., on behalf of the U.S. industry producing welded steel wire fabric for concrete reinforcement (wire fabric). In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Venezuela of wire fabric receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), and that an industry in the United States is threatened with material injury by reason of imports of this merchandise.

Since Venezuela is a "country under the Agreement" within the meaning of section 701(b)(3) of the Act, Title VII of the Act applies to this investigation and the ITC is required to determine whether imports of the subject merchandise from Venezuela materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for initiation of a countervailing duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire fabric from Venezuela and have found that it meets the requirements of section 702(b) of the Act. Therefore, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Venezuela of wire fabric receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before February 13, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as material composed of cold-drawn steel wires, whether or not deformed, fabricated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wires arranged at substantially right angles to each other and welded together at all points of intersection, as described in ASTM Specifications A-185 and A-497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States Annotated* (TSUSA).

Allegations of Subsidies

The petition lists a number of practices by the government of Venezuela which allegedly confer subsidies on manufacturers, producers, or exporters in Venezuela of wire fabric. We are initiating an investigation on the following programs:

- Loans from the Venezuela Investment Fund (FIV).
- Export Certificates for Credit Against Income Taxes.
- Multiple Exchange Rates.
- Tax Contributions to Cover Debt Service Costs.

Although not specifically alleged by petitioner, we are initiating an investigation to find out if the Venezuelan wire fabric industry receives any benefits under the following programs:

- Prefential Export Financing.
- Ministry of Finance Loans.
- Loans from the Industrial Credit Fund (FONCREI).
- Preferential Tax Incentives.

Notification of ITC

Section 702(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all non-privileged and non-confidential information. We also will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Venezuela materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to statutory procedures.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

December 9, 1985.

[FR Doc. 85-29715 Filed 12-13-85; 8:45 am]

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International Trade Administration

[A-475-503]

Initiation of Antidumping Duty Investigation; Welded Steel Wire Fabric of Concrete Reinforcement from Italy

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether imports of welded steel wire fabric for concrete reinforcement (wire fabric) from Italy are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If this investigation proceeds normally, we will make our preliminary determination on or before April 29, 1986.

EFFECTIVE DATE: December 17, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-3464.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1985, we received a petition in proper form filed by the Wire Reinforcement institute, Inc., on behald of the U.S. industry producting wire fabric. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of wire fabric from Italy are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a U.S. industry.

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Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petition on wire fabric from Italy and found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether wire fabric (as detiled in the "Scope of Investigation" section of this notice) from Italy is being, or is likely or be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination on or before April 29, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as material composed of cold-drawn steel wires, whether or not deformed, fabicated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wires arranged at substantially right angles to each other and welded together at all points of intersection, as described in ASTM Specifictions A-185 and A-497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States Annotated* (TSUSA).

United States Price and Foreign Market Value

The petitioner based United States price on prices quoted "direct discharge, duties and discharge paid" to industry sources and various U.S. customers for the summer of 1985.

The petitioner based foreign market value on information concerning U.S. domestic producer costs adjusted for differences in Italy in accordance with § 353.36(a)(7) of the Commerce Department's Regulations. The petitioner priced low carbon industrial quality wire rod in Italy and then made adjustments for converting the wire rod to welded wire fabric. Such adjustments included costs for labor, power and other utility costs associated with producing wire fabric. The Petitioner then added general and administrative expenses to arrive at a foreign market value.

Based on the comparison of the adjusted netback U.S. price and foreign market value, petitioner alleged a dumping margin of 34 percent.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms in writing that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Italy materially injure, or threaten material injury, to a U.S. industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to statutory procedures.

Dated: December 10, 1985.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-29794 Filed 12-16-85; 8:45 am]

BILLING CODE 3510-DS-M

[A-201-503]

Initiation of Antidumping Duty Investigation; Welded Steel Wire Fabric for Concrete Reinforcement from Mexico

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether imports of welded steel wire fabric for concrete reinforcement (wire fabric) from Mexico are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If this investigation proceeds normally, we will make our preliminary determination on or before April 29, 1986.

EFFECTIVE DATE: December 17, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen or Patrick O'Mara, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-3464 or (202) 377-3798.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1985, we received a petition in proper form filed by the Wire Reinforcement Institute, Inc., on behalf of the U.S. industry producing wire fabric. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of wire fabric from Mexico are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for initiation of an antidumping duty investigation, and whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petition on wire fabric from Mexico and found that it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether wire fabric (as detailed in the "Scope of Investigation" section of this notice) from Mexico is being, or is likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination on or before April 29, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement of July 27 and August 8, 1983, as amended, between the Governments of the United States and Thailand. No agreement was reached on a mutually satisfactory level for this category during consultations

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material composed of cold-drawn steel wires, wether or not deformed, fabricated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wires arranged at substantially right angles to each other and welded together at all points of intersection, as described in ASTM Specifications A-185 and A-497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States Annotated* (TSUSA).

United States Price and Foreign Market Value

The petitioner based United States price on price quotes for 1985 to industry sources from purchases of imported wire fabric.

The petitioner based foreign market value on an affidavit of the General Sales Manager of a domestic manufacturer as to the home market price, to the best of his information and belief, and upon a cost analysis in accordance with § 353.36(a)(7) of the Department's Regulations. The petitioner used price information on low carbon industrial quality wire rod in Mexico and made adjustments for labor, conversion costs, and general and administrative expenses.

Based on the comparision of United States price and the estimated foreign market value, petitioner alleged a dumping margin of 56 percent.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files provided it confirms in writing that it will not disclose such information either publicly or under an administrative protective order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Mexico materially injure, or threaten material injury, to a U.S. industry. If its determination is negative the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Dated: December 10, 1985.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Import Administration.

[FR Doc. 85-29795 Filed 12-16-85; 8:45 am]

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[A-307-507]

Initiation of Antidumping Duty Investigation; Welded Steel Wire Fabric for Concrete Reinforcement From Venezuela

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce, we are initiating an antidumping duty investigation to determine whether imports of welded steel wire fabric for concrete reinforcement (wire fabric) from Venezuela are being, or are likely to be sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of the subject merchandise materially injure, or threaten material injury to, a U.S. industry. The ITC will make its preliminary determination on or before January 6, 1986. If this investigation proceeds normally, we will make our preliminary determination on or before April 29, 2986.

EFFECTIVE DATE: December 17, 1985.

FOR FURTHER INFORMATION CONTACT: Raymond Busen or Patrick O'Mara, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; Telephone: (202) 377-3464 or (202) 377-3998.

SUPPLEMENTARY INFORMATION:

The Petition

On November 20, 1983, we received a petition in proper form filed by the Wire Reinforcement Institute, Inc., on behalf of the U.S. industry producing wire fabric. In Compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of wire fabric from Venezuela are being, or are likely to be, sold in the United States at less than fair value within the meaning of action 731 of the Act of 1930, as amended (the Act), and that these imports materially injure, or threaten material injury to, a U.S. industry.

Initiation of Investigation

Under Section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of an antidumping duty investigation,and whether it contains information reasonably available to the petitioner supporting the allegations. We examined the petiton on wire fabric from Venezuela and found what it meets the requirements of section 732(b) of the Act. Therefore, we are initiating an antidumping duty investigation to determine whether wire fabric (as detailed in the "Scope of Investigation" section of this notice from Venezuela is being, or is likely to be sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination on or before April 29, 1986.

Scope of Investigation

For purposes of this investigation, the term "Welded Steel Wire Fabric for Concrete Reinforcement" is defined as material composed of cold-drawn steel wires, whether or not deformed, fabricated into sheets (or so-called mesh) by the process of electric welding. The finished product consists essentially of a series of longitudinal and transverse wire arranged at subtantially right angles to each other and welded together at all points of interesection, as described in ASTM Specifications A-185 and A-497. Wire fabric is currently classifiable under item 642.8010 of the *Tariff Schedules of the United States Annotated* (TSUSA).

United States Price and Foreign Market Value

The petitioner based United States price on price quotes for 1985 to industry sources from purchases of imported wire fabric.

The petitioner based foreign market value on an affidavit of the General Sales Manager of a domestic manufacturer as to the home market price, to the best of his information and belief.

Based on the comparison of United States price and foreign market value, petitioner alleged a dumping margin of 50 percent.

Notification of ITC

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential

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information in our files, provided it confirms in writing that it will not diclose such information either publicly or under an administrative protection order without the written consent of the Deputy Assistant Secretary for Import Administration.

Preliminary Determination by ITC

The ITC will determine by January 6, 1986, whether there is a reasonable indication that imports of wire fabric from Venezuela materially injure, or threaten material injury, to a U.S. industry. If its determination is negative the investigation will tefminate; otherwise, it will proceed according to the statutory procedures.

Dated: December 10, 1985.

Gilbert B. Kaplan,

Deputy Assistant Secretary for Impact Administration.

[FR Doc. 85-29796 Filed 12-16-85; 8:45 am]

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APPENDIX B

WITNESSES APPEARING AT THE CONFERENCE

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CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-261(A), 701-TA-263(A), 701-TA-264(A), and 731-TA-289(A) through 291(A) (Preliminary)

WELDED STEEL WIRE MESH FOR CONCRETE REINFORCEMENT FROM ITALY, MEXICO, AND VENEZUELA

Those listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigations on December 10, 1985, in the Hearing Room of the USITC Building, 701 E Street, NW., Washington, DC.

In support of the imposition of countervailing and antidumping duties

Wiley & Rein—Counsel
Washington, DC
on behalf of—

The Wire Reinforcement Institute, Inc. (WRI)

William Wagner, President, WRI

Edgar S. Lauther, Chairman, WRI, and Assistant Vice President, Forbes Steel & Wire Corp.

Daniel C. Russell, Vice President, Sales and Marketing, Davis Walker Corp.

Douglas L. Stewart, Jr., Foundation Steel & Wire, Inc.

Cecil Everidge, Senior Vice President, Reeves Southeastern Corp.

Charles Owen Verrill, Jr.)
Robert E. Nielsen)—OF COUNSEL

In opposition to the imposition of countervailing and antidumping duties

Brownstein Zeidman and Schomer—Counsel
Washington, DC
on behalf of—

Mexican producers Acero Preformada, S.A., and Aceros Industriales Atlas, S.A.

Irwin P. Altschuler)
David R. Amerine)—OF COUNSEL

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CALENDAR OF PUBLIC CONFERENCE—Continued

In opposition to the imposition of countervailing and antidumping duties—Continued

Mudge Rose—Counsel
Washington, DC
on behalf of—

Venezuelan producers Masolva and Desica

Laura Baughman, Consulting Economist

Jeffrey Neeley)
Julie Mendoza) —OF COUNSEL

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